

Health Insurance Options For Disabled Consumers

**COMPILED BY THE WASHINGTON STATE OFFICE OF THE INSURANCE COMMISSIONER'S
SHIBA (STATEWIDE HEALTH INSURANCE BENEFITS ADVISORS) HELPLINE**

1-800-397-4422

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HEALTH INSURANCE OPTIONS FOR DISABLED CONSUMERS

(Rates are current as of April 2000)

Disabled Consumers Who are *NOT* Eligible for Medicare

- If you are disabled but *not* eligible for Medicare, your health insurance options will depend on your age, geographic location, and income. See the handout "*Health Insurance Options in the Individual Market*" for a current list of your options. You can view this document on our web page at www.shiba.org or www.insurance.wa.gov.
- If you are disabled because of HIV, there are programs available to pay your insurance premiums until you qualify for Medicare. For more information, call the Evergreen Health Insurance Program at 1-800-945-4256.

Disabled Consumers Who *ARE* Eligible for Medicare

- Disabled persons who have been entitled to Social Security or Railroad Retirement Act disability benefits for 24 months are eligible for Medicare coverage in the 25th month. To learn more about how to apply for Social Security benefits, call 1-800-772-1213 (for hearing-impaired, TTY: 1-800-325-0778) or visit their web page at www.ssa.gov.
- End Stage Renal Disease (ESRD): Persons who have permanent kidney failure, need regular dialysis, or have had a kidney transplant and are receiving Social Security benefits, are eligible for Medicare. Kidney dialysis patients must file for Medicare benefits at the Social Security office.

Medicare Benefits and Employer Plans

If you are on Medicare by reason of disability and either you or your spouse is covered by a large group health plan (sponsored by an employer/employee organization of 100+ workers), the employer plan will provide your primary coverage and Medicare will be secondary. If you are *not* covered by such a plan, Medicare will be primary.

Medicare is a major medical plan that provides a basic foundation of benefits. However, it does *not* pay 100% of all medical bills. Medicare beneficiaries are responsible for premiums, deductibles, and coinsurance. These amounts can be significant. Because of these costs, most beneficiaries need some kind of plan, policy or program to fill in the “gaps.”

Although disabled consumers face the same gaps in coverage as clients 65 and over, the rules regulating those options are different. Following are the primary options available to disabled consumers in Washington state who need to supplement their Medicare coverage.

OPTIONS FOR SUPPLEMENTING MEDICARE

1) QMB/SLMB/QI-1

There are several government programs that help people with limited income and resources pay their Medicare costs. If you are eligible, these programs do not cost you *anything*.

- QMB (Qualified Medicare Beneficiary) pays your monthly Medicare Part B premium (\$45.50) *and* all of your deductibles and coinsurance.
- SLMB (Specified Low-Income Medicare Beneficiary) pays your monthly Medicare Part B premium only.
- QI-1 (Qualifying Individuals) pays your monthly Medicare Part B premium only. Funds for this program are limited.

Qualifying Income/Resource Limits

To be eligible for these programs, your resources must be less than \$4,000 for an individual and \$6,000 for a couple. (Resources do *not* include your home, your car or your household belongings). In March 2000, your monthly income from all

sources (wages, Social Security, pensions, etc.) *must* be less than the following:

	QMB	SLMB	QI-1
Individual	\$716	\$855	\$960
Couple	\$958	\$1,145	\$1,286

These figures change regularly (usually annually). If you think you might be eligible, you can apply at your local Department of Social and Human Services (DSHS) or call 1-877-886-8151 for the current figures and for assistance.

2) Medicare Managed Care

All Medicare managed care plans that are available in your area will enroll consumers who are under 65 and eligible for Medicare. There are no waiting periods for pre-existing conditions, and the plan *must* enroll you *unless* you have ESRD (kidney failure).

Depending on where you live, many of these plans charge no premium or a low premium. Generally speaking, the only cost to you is a monthly premium (if there is one) and a co-pay of \$5-10 each time you see a doctor. Most plans do not cover prescription drugs, but some offer discounts.

Managed care plans deliver all *medically necessary* treatment covered by Medicare. In other words, if it's a Medicare-covered benefit, the managed care plan must provide it.

Remember, however, that with managed care you can *only* see those providers who are within the plan's network, and your primary care physician (PCP) must provide authorization before you can see a specialist or go to the hospital.

In much of eastern Washington and in rural parts of western Washington, managed care may not currently be an option (plans may not be available in your area). To find out which (if any) plans are available in your area, review the SHIBA HelpLine chart "Medicare/Managed Care Plans," which can be viewed on the SHIBA HelpLine web page (www.shiba.org or www.insurance.wa.gov/). Or call 1-800-397-4422 to request a chart via U.S. Mail.

3) Private Fee-For Service Plan

Private fee-for-service plans, a new option for supplementing Medicare, may soon be offered in Washington. Private fee-for-service is a plan you can purchase from an insurance company that covers both Medicare-covered services and supplemental coverage. It will combine some of the advantages (and disadvantages) of “original Medicare” fee-for-service with those of managed care and private insurance.

The company will be paid by Medicare to cover your Medicare benefits (the same regional “capitation” it would pay to a managed care plan on your behalf). You’ll continue to pay Part B premiums to Medicare, and you’ll also likely pay a premium directly to the insurance company for the plan. Premiums won’t be limited, and Medicare’s payment to the company on your behalf probably won’t cover the total cost of the plan. In effect, you and Medicare will share the plan cost.

The plan will cover all Medicare-covered care from any provider. Companies may enhance the basic Medicare package with varying additional benefits--covering Medicare gaps and possibly prescriptions, preventive and routine services, and/or alternative therapies. Such plans will offer freedom to choose doctors and hospitals, switch providers at your discretion, see specialists without referral, and move or travel without losing coverage or having to pay extra. However, there are no ceilings on premiums; doctors will not be subject to Medicare’s limiting charge (maximum they can charge you) for services, so out-of-pocket expenses may be significant; and benefit packages will not be standardized, so it will be important to compare policies carefully to be sure all the gaps you need filled are covered. It will also not be available to ESRD (End-Stage Renal Disease) patients.

Plans will have to renew their contracts with Medicare on an annual basis, thus leaving the possibility of termination.

4) Medigap Insurance (Medicare Supplement)

Medigap policies help to supplement Medicare by paying for some of the out-of-pocket expenses you incur (deductibles, coinsurance, and other charges). Which gaps are filled depends upon which policy you select. Medigap is a “fee-for-service” option, which means you can see the providers of your choice.

Medigap options are limited for Medicare beneficiaries who are under 65. These options may change from time to time. **Due to frequent premium changes, always check with the company for the latest premiums.** Some portability rights may be available to those who have coverage when they become disabled.

Medigap Policies for Medicare Beneficiaries Under Age 65

A = Automatic claim processing in Washington State (crossover with Medicare)

G = Guaranteed Issue

The appearance of a company on this list does not constitute an endorsement of an insurance company or its policies by the Washington State Insurance Commissioner's office, the SHIBA HelpLine, or its volunteers.

These rates effective March 2000. Check with plans for current rates.

COMPANY	Pre-X	A	B	C	D	E	F	G	H	I	J
AARP / UNITED HEALTH 800 - 523-5800 Disability (ages 50 to 65)	90/ 90	A/G 66	A/G 100	A/ G 108	A/G 93	A/G 96	A/G 114	A/G 102	144	145	184
AARP members age 50-64 who are eligible for Medicare by reason of disability can only apply for coverage if they are replacing their current Medicare supplement plan, or other more comprehensive coverage.											
BANKERS LIFE & CASUALTY 800-621-3724	90/ 60	A 76	A 116	A 152	A 146	A 146	A 197	A 180			
PREMERA [formally Blue Cross of Wash. & Alaska] 800-752-6663	90/ 90	A 91					(See policies under WA Health Care Authority)				
STATE FARM INSURANCE	None	A 57		A 83			A 96	Call Local State Farm Agent to see if available in your area			
STERLING LIFE assumed Healthcare, Inc. 6/99 1-800-688-0010	90/ 90	A 80		A 146		A 145	A 181	Sterling Life isn't selling new policies at this time. Check with company for status			
UNITED AMERICAN INSURANCE 972-529-5085			A 151								
Washington State Health Care Authority (Blue Cross Plans)	No	Eastern Washington 800-572-0778 Whatcom & San Juan 800-825-5962 Western Washington 800-295-1841				A 96	These plans are guaranteed issue during 6 month open enrollment period following Part B effective date.				A 236

NOTE: Persons enrolled in Medicare get a new open enrollment period for Medigap policies starting on the 65th birthday. During the 6 months following the birthday, all Medigap policies are guaranteed issue.

5. Washington State Health Insurance Pool

The Washington State Health Insurance Pool (WSHIP) offers health insurance to Washington state residents who do not have access to adequate health insurance coverage in the private market. One of these plans is a Medicare supplement.

This Plan is *only* available to consumers who are enrolled in Medicare Parts A & B. It pays the Medicare deductibles and coinsurance, and offers extensive prescription drug coverage. Premiums are based on age and geographic location.

There are two primary ways to become eligible for this coverage:

- 1) If you are enrolled in Medicare Parts A and B and do *not* have any insurance to supplement Medicare (including managed care, Medigap, employer plan, etc.).
- 2) If you apply for a Medigap policy and the company turns you down. (Your letter of denial makes you eligible for WSHIP.)

WSHIP Medicare Standard Plan (Plan 2) Premiums

Age	Zip Code Area 1	Zip Code Area 2
	(980-984, 990-992)	(985-989, 993-994)
0-29	\$74.86	\$70.08
30-39	\$99.65	\$93.30
40-44	\$117.62	\$110.14
45-49	\$147.47	\$138.08
50-54	\$184.29	\$172.56
55-59	\$226.16	\$211.76
60-64	\$291.52	\$272.96

For an application and further information contact the administrator:

OASYS
800-877-5187
www.accessoasys.com

To contact the SHIBA HelpLine unit nearest you, or for information on how you can become a SHIBA HelpLine volunteer, CALL

1-800-397-4422.